IOWA FINANCE AUTHORITY

TO: Owners and Managers of Low Income Housing Tax Credit LIHTC and/or HOME Projects

FROM: Julie E. Noland, Director of Compliance   *Jen*

SUBJECT: 2014 Initial/Annual Compliance Monitoring Reports

DATE: January 2, 2015

Federal regulations require that you submit to Iowa Finance Authority (IFA) on an annual basis, information to enable IFA to monitor LIHTC projects for compliance with provisions of Section 42 of the Internal Revenue Code of 1986, as amended, and it's implementing regulations and HOME program requirements.

<u>NEW LIHTC AWARDS / NOT TAKING CREDITS</u>
If you are opting to take credits in the following year, not placed in service or have been awarded tax credits and are in the development process submit **ONLY** a signed Owner's Certificate of Continuing Program Compliance with the appropriate box checked (see below) and signed by owner. Do not answer questions 1 – 19 as they would not apply.

> ☐   **No buildings have been Placed in Service**
>
> ☐   **At least one building has been Placed in Service but owner elects to begin credit period in the following year.**
> *If either of the above applies, please check the*
> *appropriate box, and proceed to page 3 to sign and date this form.*

<u>INITIAL REPORT</u>
If 2014 is the first year of credits, the signed Owner's Certification of Continuing Program Compliance must be received at IFA **on or before April 1, 2015.** <u>You are required to submit to IFA an executed copy of IRS Form 8609 for each building. The copy **MUST** have Part II completed, and be signed and dated by the owner.</u>

<u>ANNUAL REPORT</u>
For existing projects submitting an Annual Report, the signed Owner's Certification of Continuing Program Compliance with questions 1 – 19 answered and signed by the Owner. If your project contains HOME funds you must also answer 20-22. The Occupancy Report must be received at IFA **on or before <u>March 1, 2015.</u>**

You are required to use the following IFA Forms (see IFA Compliance Website)

- **Owner's Certification Form.** (**DO NOT** print the form located on the Certification Online System, it will not be accepted and the packet will be considered incomplete.)

- **Utility Information Form"** This form must be completed at least once a year or whenever an update is necessary (See IRS Regulation 1.42-10 Utility Allowances). Submit this form **and** supporting documentation from the Utility Allowance provider (i.e. Rural Dev., Public Housing Authority or vendor) that determines the allowance used for reporting period 1/1/14 – 12/31/14.

<u>NOTE</u>: All documents requested will now be accepted via e-mail at<u>ComplianceAdministrator@iowa.gov</u> and by facsimile at 515.725.4901. This includes the <u>signed</u> Owner's Certification.

REQUIRED INITIAL, ANNUAL & POST 15 YEAR (Extended Use) COMPLIANCE REPORTING DOCUMENTS CHECKLIST

☐ **Signed Owner's Certificate of Continuing Program Compliance**
        ☐ **E-mail/Fax – Date:** _____   **OR**   ☐ **Hard copy – Date:** _____
        Please submit using only **ONE** of these options

☐ **Copy of** <u>Owner Executed</u> **Form 8609 (Part II completed and signed) –Initial Year Reports Only**

☐ **Year-end bank statement for Replacement Reserve dedicated to the project.**
   (if applicable – refer to the QAP ("Qualified Allocation Plan") for the year that tax credits were awarded.

☐ **Year-end bank statement or Letter of Credit for Operating Reserve dedicated to the project.** (if applicable –
   refer to the QAP for the the year that tax credits were awarded)

☐ **Utility Information Form** (with supporting documentation 2013 & 2014)

☐ **Copy of 2014 Annual Fire Safety Inspection** (i.e. billing statement from a qualified inspector or business, work
   order signed and dated by qualified inspector, receipts for annual extinguisher(s) tags &/or purchase).

☐ **Submitted ALL buildings through the Certification Online System**

IFA must receive **ALL** the requested documents and Certification Online submissions by the date due to be considered complete. **If** <u>any</u> **of the required documents listed above and building/unit history are not submitted by the date due, it will be considered an incomplete submission and a 90 day correction notice will be issued.**

PROCEDURES FOR REPORTING UNIT DATA THROUGH THE CERTIFICATION ONLINE SYSTEM.

- **100% Low Income** projects are required to annually report initial certifications. For existing tenants, the new certification date entered needs to be the effective date of the Student Status form (must be within 365 days of the previous year's effective date.) If the owner has opted to continue full recertifications or received points for recertifying tenants annually, enter the effective date of the recertification.

- **Mixed Use** projects will report all initial certification and re-certification information.

- **Post 15 Year – Extended Use** projects report initial certifications and annual rents for all units.

- **HOME**: If you wish to use this system for your reporting, you would report all unit activity for the 2014 reporting year. If you need access to the system for reporting please contact Lisa.Strait@iowa.gov

Should you have any questions or need technical assistance regarding the **Certification Online System**, please contact Lisa.Strait@iowa.gov or 515.975.1041. Any questions specific to your project should be addressed with your assigned Compliance Officer or you may contact me at Julie.Noland@iowa.gov